

N.A.S.D. AWARD

NATIONAL ASSOCIATION OF SECURITIES DEALERS

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In the Matter of the Arbitration Between

Name of Claimant

Robert Dale Bodnar

93-02360

Name of Respondent

Jeffrey L. Chesler

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CASE SUMMARY

In a claim filed with the National Association of Securities Dealers, Inc. on June 15, 1993, Claimant Robert Dale Bodnar, who appeared Pro Se, alleged that in August, 1988 he spoke to Respondent Jeffrey L. Chesler, representative from First Eagle, Inc. in Englewood, Colorado to request information on a company called LaJolla Acquisitions whereby Claimant did not receive any information on this company. Claimant further alleged that Respondent told him that another broker at his firm was following this company and everything looked great. Claimant contended that after he purchased the stock, Respondent kept telling him about all the meetings that the broker, who was giving him the information, was going to and that LaJolla was going to merge with another company. Claimant further contended that he has tried selling the stock in April 1993 but found there was no market for the stock. Claimant asserted that when the Securities and Exchange Commission ("SEC") called him to send all of the information he had on the firm, it was the first time Claimant had found out what was going on. Claimant further asserted that he cannot believe that Respondent sold a pink-sheet, penny stock of \$.03 per share to an individual who was 18 years old, just out of high school and heading for college whereby he only invested in mutual funds, had no job and a small net worth. Claimant further alleged that Respondent is liable for his loss and should refund Claimant for all his costs.

Respondent Jeffrey L. Chesler, who appeared Pro Se, maintained, in a facsimile reply dated December 27, 1993, that he recalls Claimant Robert Dale Bodnar requested information from a coupon in a Tombstone Ad that appeared in either the National OTC journal or Penny Stock News, whereby his assistant at that time, Mr. Richard Giddens was contacting his "leads" or coupons that had been forwarded to him, at which time, Respondent does not specifically recall an initial contact with Claimant, nor did he solicit him. Respondent further maintained that most of his new accounts at that time came from referrals or through Mr. Giddens, at which time,

Respondent's father was also helping him with phone answering and clerical work whereby if you review Respondent's records he only had one other complaint which was at the same time period and in Respondent's statement regarding that complaint, he indicated that he had been out of his office for 10 days or so the beginning of August, 1988 following surgery. Respondent contended that during that time, Mr. Giddens was following up on new prospects or "Leads" and was conducting business for him as he was a registered representative. Respondent further contended that Claimant contacted him at Cohig & Co., this last spring while he was employed as a Corporate Recruiter for them, whereby, Claimant stated that he did not remember who executed his buy order originally, but after he left First Eagle, Inc., they gave Claimant his name because his representative number was on the trade ticket, at which time, Respondent had very few clients in Pennsylvania and most of his new accounts were in Colorado, California and Nevada. Respondent asserted that he never solicited Claimant for purchasing stock in LaJolla Acquisitions, and he believes Claimant is sore because he lost money investing in what was clearly a speculative investment which Respondent always represented as such. Respondent further asserted that unfortunately many people, seasoned and seldom investors, lost money in a risky low priced stock and he cannot be held liable for such loss.

#### **RELIEF REQUESTED**

Claimant Robert Dale Bodnar requested that sum of \$712.00 in actual damages together with interest in the amount of \$696.36 representing an average of 12 % per year of a mutual fund plus the sum of \$305.63 in costs and reimbursement of the NASD filing fee.

Respondent Jeffrey L. Chesler requested the claim be denied.

#### **OTHER ISSUES**

In accordance with Section 13 of the NASD Code of Arbitration Procedure, the Respondent Jeffrey L. Chesler was served a copy of the Statement of Claim by regular mail on June 29, 1993 and given an opportunity to respond, which he failed to do. Respondent Jeffrey L. Chesler was notified on July 30, 1993, via certified mail, that his Statement of Answer was overdue. Respondent Jeffrey L. Chesler was notified on August 24, 1993, via certified mail, of the selected arbitrator pursuant to Section 21 of the NASD Code of Arbitration Procedure. The NASD received an undated facsimile from Respondent Jeffrey L. Chesler in reference to this matter, evidencing his receipt of said correspondence. Respondent Jeffrey L. Chesler was notified on November 18, 1993 that the arbitrator would accept a late filing pursuant to Section 13(k) of the NASD Code of Arbitration Procedure. Respondent Jeffrey L. Chesler subsequently filed an untimely Answer to the Statement of Claim.

Pursuant to the By-Laws of the NASD the arbitrator determined that Respondent Jeffrey L. Chesler was required to submit to this arbitration proceeding and is, therefore, bound by the arbitrator's ruling and determination.

**AWARD**

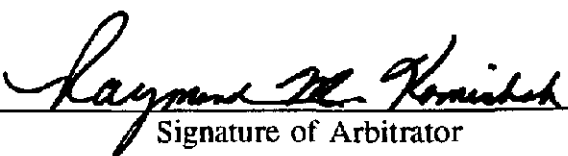
Pursuant to Section 13 of the National Association of Securities Dealers, Inc. Code of Arbitration Procedure, a single Public Arbitrator, Raymond M. Komichak, was selected to review and determine the matter in controversy between the parties set forth in submissions to Arbitration signed by the Claimant on June 12, 1993 and not signed by the Respondent as required by Sections 12 & 13 of the NASD Code of Arbitration Procedure.

And, the Arbitrator, having considered the proof of the Parties, has decided and determined in full and final resolution of the issues submitted for determination as follows:

1. Respondent Jeffrey L. Chesler is liable and shall pay to the Claimant Robert Dale Bodnar the sum of \$712.00 in damages.
2. Respondent Jeffrey L. Chesler is liable and shall pay to the Claimant Robert Dale Bodnar simple interest at the rate of 6% per annum from August 22, 1988 to the date of payment of the award.
3. The parties shall bear their respective costs.
4. The \$30.00 filing fee previously deposited with the National Association of Securities Dealers, Inc. by the Claimant Robert Dale Bodnar shall be retained by the NASD, Inc. Respondent Jeffrey L. Chesler is liable and shall pay to the Claimant the sum of \$30.00, as reimbursement.

AFFIRMATION

I, **RAYMOND M. KOMICHAK**, do hereby affirm upon my oath as arbitrator that I am the individual described herein and who executed this instrument, which is my oath and award.

  
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Signature of Arbitrator

DATE OF DECISION: January 25, 1994